

SHIPPING OUT

JAN CHRISTIAN BERG IS DETERMINED TO SHOW EVERYONE THAT IRELAND HAS THE POTENTIAL TO BE THE CENTRE OF THE SHIPPING WORLD.

A native of Norway, Jan Christian Berg was just a fresh 17 years old he thought he would become a "greaser", a mechanic on a ship. It took only one year at sea for Berg to realise that it was a rather grimy trade after all, and he decided to try a different tack. He graduated in 1988 with a Master of Science at the Faculty of Marine Technology from the Norwegian University of Science and Technology. This all well and good in Norway: the marine industry is the largest industry in Norway with extensive offshore oil and gas exploration, maritime and fishing sectors. But Berg decided to take on the world and within one month after his graduation he started as a management trainee at the world's largest ship repair yard, the enormous Dubai Dry-docks in The Middle East. It was in Dubai that he met his Irish bride, Eva, who was busy designing clothes there. After a stint of living in Norway, Eva led Jan Christian back to the Emerald Isle.

By the time Berg arrived here, he had clocked up 20 years experience in management and executive positions in the international shipping, oil and energy business. He noticed that there was no significant shipping company activity on the horizon, although Ireland was the perfect place for it. According to Berg, Ireland is an excellent choice for shipping services. "It is an English-speaking, neutral country with a vibrant economy and it has a productive and flexible workforce and low tax rates. The Irish State has signed a tax agreement with all its major trading partners that will offer the shipping industry the most competitive business environment within the EU/EEA. There are significant tax efficiencies to be gained by operating ships, in international trade, from a base in Ireland."

FROM STUDENT TO ENTREPRENEUR

in 2001, Berg did a full time MBA at Michael Smurfit Graduate School of Business, a part of UCD. His thesis was awarded a 1st class honours grade. More importantly, it got him accepted into the UCD Industrial Development program sponsoring business start-ups which have a high potential for success. Maritime Management Ltd was born, shares are divided between the UCD sponsor and Berg himself.

Says Berg, "Ireland is an island with almost no maritime shipping industry. While writing my MBA thesis, I saw the potential for growth and development for the Irish shipping industry in Ireland. I realised that with my unique background I could make a difference. I like to think of this industry as being similar to the ICT or Pharmaceutical industries in Ireland in the early 80s. The government laid the foundation for the development of these industries. In the beginning the expertise had to be imported before local knowledge was developed. But today these industrial sectors are core industries in the State. The same could happen in shipping."

The core business concept of Maritime management is to facilitate foreign ship owners in the international shipping trade to relocate to Ireland. The company also organises finance for this very capital-intensive industry. Says Berg, "There is also the possibility of other maritime related spin-offs. While they are not core, they are very interesting and very entrepreneurial."

COMPETITION

The best news for Maritime Management is that there are, as yet, no competitors. Maritime Management is still unique in Ireland. It is an entrepreneurial dream, the discovery of an unfilled gap in the market. But, due to the fact that Berg is first with his big idea, there are a few waves to get over. "Almost nobody knows about this



MARITIME MANAGEMENT IS AN ENTREPRENEURIAL DREAM, THE DISCOVERY OF AN UNFILLED GAP IN THE MARKET.

industry in Ireland. What people think about 'shipping' in Ireland relates to DHL and post services and not supertankers on the seven seas. With this lack of knowledge comes a number of challenges, such as the difficulty in getting acceptable insurance cover, and a lack of interest in supporting industries because they simply don't know enough about the industry. Another problem is that government agencies are not aligned and rules are open to interpretation. With no precedence it is hard to actually specify the effects of relocation of ships to Ireland which makes the promotion very challenging."

And, at the end of the day, Berg has to be a salesman. "A ship costs millions, an owner must be sure that the one he or she entrusts to operate the ship knows what they are doing. Word of mouth is always an effective marketing tool but has a limited reach. In business-to-business marketing the internet can be a door-opener but is not always enough to close a sale. The challenge is grab decision-makers' attention, get them interested, and get them to visit our site."

The biggest wave facing Berg is a small tsunami. Maritime Management does not only rely on the establishment of just one firm. It relies on the establishment of a whole industry. If the industry takes root, Maritime Management will have the advantage of being the incumbent and will have a bright future. At the same time there is significant risk: if other existing shipping nations manage to match Irish competition by providing the local industry with new incentives, it will be tough for Maritime Management to grow. But the seeds sown by Berg seem to be sprouting. Last Christmas, Berg managed to pull it off, he got the first ship under management. It is a good sign that the Good Ship Berg could very well stay afloat. **ie**

A man with glasses, wearing a dark blazer, a light blue checkered shirt, and khaki trousers, stands in a courtyard. He has his hands in his pockets and is looking towards the camera. The background shows a modern building with large windows and a circular window, and a brick building with a dark roof. There are some young trees and a bench in the courtyard.

VOXPOP WITH BERG

What was the hardest thing about starting up a business here?

I have always been a company man. For me the hardest thing was the mental change required to be an entrepreneur. Otherwise I have found that the start-up support for companies in Ireland is fantastic. Entrepreneurship is much more valued here in Ireland than on the continent.

Any advice for start-ups?

Be persistent and positive. Realise that no matter what concept or service you offer, you also have to sell it, and customers' perception means everything. Always have your main objective in front of you, and avoid detours. Seek help from the experts. Cash is king.

What are the business cultural differences between Ireland and Norway?

To generalise, conformity is a strong force for Norwegians. The Irish tend to be more individualistic. In Norway the benefits of mutual flexibility and team work are more accepted by employees and employers alike. But the Norwegians lack the creativity of the Irish. I find more reciprocal trust and true respect in a Norwegian workplace than in Ireland. The costs of starting a business in Ireland are huge, due lawyer's fees and cost of insurance. Compared to Ireland, the cost for these services in Norway is marginal. Unfortunately such costs in Ireland kill a lot of business start-ups. The difference tells us something about the business culture. Family values and gender equality is also very different. I find the Irish system very female-hostile. The fundamental lack of support for families with young kids forces the mothers to be at home while the children are small. This makes a professional career difficult. I am amazed at the lack of willingness to facilitate more women joining the workforce and taking management positions and for men to take their part in the responsibility to raising a family.